

Pivoting Farmer Producer Organizations: Proceedings from Convention on Experience sharing & Learnings

29th & 30th January 2020 | Bhopal, Madhya Pradesh

The agrarian economy of India is driven by 70% of the 1.32 billion population. The agriculture sector has gained significant focus from the government in the past decade. Farmer Producer Organisations (FPOs) have emerged as the most preferred institutional mechanism for farmer prosperity by policy makers and development agencies. The government's push towards promoting 10,000 FPOs, and a slew of other measures supporting FPOs, including 5-year tax breaks, in the Budget 2018 has made FPOs the linchpin strategy for doubling farmer's income.

State level Producer Companies organized in Gujarat, Maharashtra and Madhya Pradesh, have yielded encouraging results particularly organizing seed production, linkages with processors and MSP procurement. In the context of Madhya Pradesh, the State Government has also introduced many farmer centric schemes like Price Difference Payment scheme, RKVY- RAFTAAR and Agriculture mechanization to name a few along with multiple extension services. The State is also a pioneer in developing FPO specific guidelines to create an enabling ecosystem for FPOs. Many other States like Odisha, Karnataka and Andhra Pradesh are following the same route to support the FPOs. During the two day convention, many success stories of FPOs were shared and an elaborate discussion on the pain points were made.

Support required from State Govt

- Based on the objectives of the Central govt, the Ministry of Rural development, Agriculture & Farmer Welfare and Panchayati Raj should be made the nodal agency for FPOs and a clear mandate to issue State policy guidelines for FPOs should be made for development of FPOs
- The farm produce should reach directly to the factories from the farm and the new industry and processors should be given rebate of 50% on purchase of raw material from FPOs in the mandi
- FPOs should be allowed access to credit on low interest rate for ease in business exposure
- A Single window for issuing licenses to FPOs should be made
- The State govt should have a Credit Guarantee Fund similar to SFAC fund by Central govt
- FPOs should be given equal rights and authorisation to purchase at MSP rates in their area from marginal farmers
- FPOs should be a fixed allocation of fertilisers (atleast 10%) so that FPO members can get fertilisers at reasonable cost
- FPOs should be allowed Warehouse Receipt financing and credit at low interest rate so that farmers can hold their produce
- A State FPC Support Cell should be made in the department to support FPOs



About the Organizers

National Association for Farmer Producer Organizations (NAFPO) is not-for-profit body working towards enhancing the profile of FPOs and promoting awareness among various stakeholders. SRIJAN (Self-Reliant Initiative through Joint Action) is a grassroots implementation and support agency, committed to promoting sustainable and self-reliant models of rural development through intervention in agriculture, horticulture, natural resources management and livestock. Civic Engagement Alliance is a joint collaboration between Dutch and southern civil society organizations that advocate for inclusive development. In a collaborative effort to bring forward the experiences of FPOs and discuss major bottlenecks, NAFPO, SRIJAN & ICCO organised a two day convention in Bhopal, Madhya Pradesh. The event had participation from experts and practitioners working on policy, market access and financial access and farmer producer organizations.